

Senate Bill 288

By: Senators Tate of the 38th, Stoner of the 6th, Sims of the 12th, Chance of the 16th, Staton of the 18th and others

A BILL TO BE ENTITLED
AN ACT

To amend Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits of the Teachers Retirement System of Georgia, so as to change the benefit formula for the Teachers Retirement System of Georgia from 2 percent to 2.5 percent; to change the maximum number of years of service used in such calculation; to provide a postretirement benefit adjustment; to provide conditions for an effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

To amend Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits of the Teachers Retirement System of Georgia, is amended by revising subsection (a) of Code Section 47-3-120, relating to allowance on a service retirement, minimum retirement allowance, reduced allowance, increase, and computation of average compensation, as follows:

"(a) Upon service retirement, a member shall receive an allowance which shall consist of:

(1) An annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement; and

(2) An annual pension which, together with the annuity set forth in paragraph (1) of this subsection, shall provide a total allowance equal to ~~2~~ 2.5 percent of the member's average compensation over the two consecutive years of membership service producing the highest such average, multiplied by the number of the member's years of creditable service, not to exceed ~~40~~ 35. The computation of average compensation for the purposes of this paragraph shall be subject to the requirements of subsection (d) of this Code section."

SECTION 2.

Said article is further amended by adding a new Code section to read as follows:

"47-3-126.5.

(a) As used in this Code section, the term 'beneficiary' shall have the meaning specified in paragraph (7) of Code Section 47-3-1.

(b) Effective July 1, 2010, the monthly retirement benefit of each beneficiary who began receiving a benefit prior to July 1, 2010, shall be recalculated as if the benefit had originally been calculated on the formula provided in subsection (a) of Code Section 47-3-120 or such derivative formula as is appropriate to the beneficiary. The board shall apply the same percentage of increase to the amount of increase as has been applied to the benefit from the time the benefit was first paid, but no such increase shall be paid for any period prior to July 1, 2010."

SECTION 3.

This Act shall become effective on July 1, 2010, only if it is determined to have been concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not become effective and shall be automatically repealed in its entirety on July 1, 2010, as required by subsection (a) of Code Section 47-20-50.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.